UNIVERSITY OF
REGINA

University of Regina Pension Plan for Eligible

Part-Time Employees

Financial Statements

For the Year Ended October 4, 2004

105-07374/

Provincial Auditor Saskatchewan

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AUDITOR'S REPORT

To the Members of the Legislative Assembly of Saskatchewan

I have audited the statement of net assets available for benefits of the University of Regina Pension Plan for Eligible Part-Time Employees as at October 4, 2004 and the statement of changes in net assets available for benefits for the period then ended. These financial statements are the responsibility of management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly, in all material respects, the net assets of the Plan as at October 4, 2004 and the changes in the net assets for the period then ended in accordance with Canadian generally accepted accounting principles.

Regina, Saskatchewan
February 8, 2005

Fred Wendel, CMA, CA
Provincial Auditor

University of Regina Pension Plan for Eligible Part-Time Employees
Statement of Net Assets Available for Benefits
As At October 4, 2004

	October 4, 2004	December 31, 2003
Assets		
Investments:		
Pooled fund (Note 4)	$ -	$ 112,367
Total assets	-	112,367
Liabilities		
Accounts payable:		
Refund of excess employee contributions	-	647
Refund of excess employer contributions	-	647
Total liabilities	-	1,294
Net Assets Available for Benefits (Statement 2)	$ -	$ 111,073

Approved by the Board of Governors

Chair, Board of Governors

Vice President (Administration)

The accompanying notes are an integral part of these financial statements

University of Regina Pension Plan for Eligible Part-Time Employees
Statement of Changes in Net Assets Available for Benefits
For the Period Ended October 4, 2004

	October 4, 2004	December 31, 2003
Increase in Assets		
Change in market value of investments:		
Net realized gain on sale	$ 40,608	$ -
Unrealized appreciation (depreciation) of investments	(34,412)	12,627
	6,196	12,627
Contributions:		
Employee contributions	-	3,303
Employer contributions	-	3,303
	-	6,606
Total increase in assets	6,196	19,233
Decrease in Assets		
Refunds and transfers	117,269	-
Net Increase (Decrease) in Assets	(111,073)	19,233
Net Assets Available for Benefits, Beginning of Period	111,073	91,840
Net Assets Available for Benefits, End of Period (to Statement 1)	$ -	$ 111,073

The accompanying notes are an integral part of these financial statements

1. Summary of Significant Accounting Policies

The financial statements are prepared in accordance with Canadian generally accepted accounting principles. The following accounting policy is considered significant:

Investments

Investments are comprised of units in a pooled fund called the University of Regina Master Trust (the Fund). Additional units are acquired when assets are transferred to the Fund and when distributions are made by the Fund. The Plan can realize changes in the underlying unit values by redeeming units.

Units in the Fund are recorded in the accounts at their net asset value per unit. The net asset value per unit is the market value of the Fund's investments divided by the total number of units outstanding in the Fund.

2. Authority for the Plan

Section 62(j) of *The University of Regina Act* provides that the Board of Governors may establish a system of pension or retiring allowances for any or all classes of University officials and other employees. Effective January 1, 1993, a defined contribution pension plan was established for the University of Regina's part-time employees, known as the University of Regina Pension Plan for Eligible Part-Time Employees.

3. Description of the Plan

The following description of the University of Regina Pension Plan For Eligible Part-Time Employees is a summary only. For more information, reference should be made to the Plan agreement. The Plan agreement is registered under *The Pension Benefits Act, 1992*, registration #51-493.

a) General

The Plan is a defined contribution plan.

b) Eligibility

Employees that expect to earn at least 35% of the Year's Maximum Pensionable Earnings in each of two consecutive years are eligible to join the Plan.

c) Funding Policy

Members contribute monthly to the Plan, as follows:

(i) academic members contribute 5.7% of earnings up to the Year's Maximum Pensionable Earnings (YMPE) and 7.5% of earnings in excess of the YMPE.

(ii) non-academic members contribute 4.85% of earnings up to the YMPE and 6.5% of earnings in excess of the YMPE.

considered to be high quality. The investment policies of the participating pension plans state that short-term investments must meet a minimum investment standard of "R-1", and the minimum quality standard for individual bonds and debentures is 'B' as rated by a recognized bond rating agency at the time of purchase. The credit ratings used to describe the investments are based on the Dominion Bond Rating Service and/or the Standard & Poor's Bond Rating Service.

5. Investment Performance

The University has retained CIBC Mellon as the trustee of the Master Trust.

The University has retained Phillips, Hager & North, Ltd. as investment manager of most of the investments. The University also contracts with Templeton Management, Bentall Capital Investment Management, and Barclay's Global Investors to be investment managers of specific types of investments.

These investment managers make the day-to-day decisions of whether to buy or sell specific investments in order to achieve the long-term investment performance objectives set by the Plan. It is these long-term investment performance objectives that are used to assess the performance of the investment managers.

The primary long-term investment performance objective for the entire Master Trust portfolio is to out-perform a benchmark portfolio with weightings as follows:

Asset Class	Representative Index	Weight
Canadian equities	S&P/TSX Composite Index	18 %
U.S. equities	S&P 500 ($C)	18
Non North American equities	EAFE ($C)	18
Real Estate	Russell Canadian Property Index	5
Bonds	SC Universe Bond Index	38
Short term investments	91 – day T-Bills	3
		100 %

The University engages the services of asset management consultants to provide advice on the overall management of the Master Trust's investments and on the measurement of the Trust's performance. James P. Marshall, Inc. and the Russell/Mellon Canadian Trust Universe (RMCTU) provide this service. They both report to the Plan committee quarterly on the investment performance in terms of the performance of the benchmark portfolio over moving four-year periods. The one-year investment objective (the return of the benchmark portfolio) was 9.7% for the period ending September 30, 2004 (2003 – 11.8%). For the period ending September 30, 2004 the Master Trust had a gross rate of return of 10.7% (2003 – 13.0%).

6. Related Parties

The Plan is related to the University of Regina and other pension plans sponsored by the University.

The Plan's administration expenses are paid for by the University, the Pension Plan for Academic and Administrative Employees, and the Non-Academic Pension Plan in equal one-third parts. The dollar amount was minimal.

7. Plan Termination

On March 23, 2004, the Board of Governors of the University of Regina terminated the Plan, effective December 31, 2003. In accordance with the *Pension Benefits Act, 1992,* and the University of Regina Pension Plan for Eligible Part-time Employees Plan Document, the Plan received approval from the Canada Revenue Agency and the Superintendent of pensions to terminate the Plan.

On July 27, 2004, on behalf of the Plan, the University transferred $105,237 to locked-in retirement savings vehicles for the benefit of the Plan members. These transfers were based on the members' account balances at June 30, 2004. On October 4, 2004, the Plan transferred its Master Trust units to the University.